



Louisiana Housing Finance Agency

**Full Board Meeting Minutes
Board of Commissioners
Louisiana Housing Finance Agency**

**Wednesday, August 10, 2011
2415 Quail Drive
V. Jean Butler Board Room
Baton Rouge, LA 70808
11:00 A.M.**

Commissioners Present

Allison A. Jones
Guy T. Williams
Michael L. Airhart
Katie Anderson
Mayson H. Foster
Joseph M. Scontrino, III
Donald B. Vallee
Alice Washington obo John N. Kennedy

Commissioners Absent

Adena R. Boris
Jerome Boykin, Sr.
Neal P. Miller
Frank H. Thaxton, III
Elsenia Young

Staff Present

Barry E. Brooks
Alesia Wilkins-Braxton
Brenda Evans
Loretta Wallace
Charlette Minor
Rebekah Ward

Rene Landry
Mary Antoon
Marjorianna Willman
Ricky Patterson
Joseph Durnin
Collette Mathis
Danny Veals
Jeff DeGraff
Terry Holden
Karen Thomas
Kalvin Price
Agnes Chambers
Edselle Keith Cunningham, Jr.
Christine Bratkowski
Leslie C. Strahan
Jessica Guinn

Others Present

See Sign-In Sheet

CALL TO ORDER

Chairperson Allison A. Jones called the meeting to order at 11:04 A.M. Board Secretary and Coordinator Barry E. Brooks called the roll; there was a quorum. There was thereafter an introduction of guests.

APPROVAL OF MINUTES

On a motion by Commissioner Joseph M. Scontrino, III, seconded by Commissioner Donald B. Vallee, the Minutes of the Full Board Meeting held July 13, 2011, were approved unanimously,

CHAIRPERSON'S REPORT

Chair Jones advised that she had noticed the flags at the LHFA building at half-staff in memory of the thirty (30) servicemen recently killed. She noted she knew personally the two (2) servicemen who resided in Shreveport, and she offered an expression of thanks for their commitment to the preservation of democracy in the USA.

Chair Jones next acknowledged Commissioner Katie Anderson in her new position as Chief Operating Officer for the Lafayette Housing Authority.

Next item discussed was an update on the Louisiana Housing Corporation Transition Committee. Chair Jones advised that there would be a meeting immediately following the BOCM at 1:00 P.M. at which time an update would be given on the progression of the TC and reports from the four (4) Subcommittees; and that the TC was progressing well and had done a lot of work since its first meeting.

Chair Jones noted that she had sent some articles via email to the Commissioners dealing with the history and future of affordable housing.

Commissioner Donald B. Vallee noted the need for the BOC to act in a fiduciary manner; and that he feels LHFA staff was spending too much time on TC data requests and meetings. Accordingly, he asked Chair Jones to convey his comments thereof to the TC.

Chair Jones noted she would abide as requested, and suggested that Commissioner Vallee also reiterate his thoughts directly to the TC at the 1:00 P.M. meeting following the BOCM.

Commissioner Vallee replied that he would do such via written correspondence.

ACTING-PRESIDENT'S REPORT

Acting-President Alesia Wilkins-Braxton summarily noted she was working closely with the TC and BOC on various Agency and transition matters.

MULTIFAMILY RENTAL HOUSING COMMITTEE

MFC Chair Guy T. Williams advised that there had been a meeting earlier, and that they had a quorum.

The first item to be discussed was a resolution regarding The Elysian LLC Project, of which Chair Williams noted that the Committee was recommending approval.

Program Administrator Brenda Evans briefly went over the specifics thereof, and noted that staff was recommending approval.

On a motion by Commissioner Guy T. Williams and seconded by Commissioner Donald B. Vallee, the resolution accepting the proposal of JPMorgan Chase Bank, N.A. or such other purchaser as may be designated by the Developer for the purchase of not to exceed Nine Million Dollars (\$9,000,000) Louisiana Housing Finance Agency Multifamily Housing Revenue Bonds (The Elysian, LLC Project, located at North 13th Street & Spanish Town

Road, Baton Rouge, East Baton Rouge Parish, Louisiana) in one or more series; fixing the parameter terms of said bonds and otherwise providing with respect to said bonds; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously.

Next item discussed was the resolution regarding Cypress Springs Senior Apartments Project. Ms. Evans advised that staff was recommending said matter be **DEFERRED**. Chair Williams concurred thereof.

Next item discussed were the resolutions regarding Garden Oaks Tower Project. Ms. Evans briefly went over the specifics thereof, and noted that the staff was recommending approval. Chair Williams concurred, and noted MFC was recommending approval likewise.

On a motion by Commissioner Guy T. Williams and seconded by Commissioner Katie Anderson, the resolution accepting the proposal of Merchant Capital, L.L.C. or such other purchaser as may be designated by the Developer for the purchase of not to exceed Seven Million Three Hundred Fifty Thousand Dollars (\$7,350,000) Louisiana Housing Finance Agency Multifamily Housing Revenue Bonds (Garden Oaks Tower Project) in one or more series; fixing the parameter terms of said bonds and otherwise providing with respect to said bonds; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously.

On a motion by Commissioner Guy T. Williams and seconded by Commissioner Katie Anderson, the resolution establishing the maximum qualified basis and low-income housing credits to Garden Oaks Tower; authorizing the Agency staff and counsel to prepare the forms of such documents and agreements as may be necessary to allocate 4% Low Income Housing Tax Credits to such facilities; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously.

Next item discussed were the resolutions regarding BW Cooper Housing Development. Ms. Evans briefly went over the specifics thereof, and noted that the staff was recommending approval. Chair Williams concurred, and noted MFC was recommending approval likewise.

On a motion by Commissioner Guy T. Williams and seconded by Commissioner Katie Anderson, the resolution to issue not exceeding Twenty Million Dollars (\$20,000,000) Multifamily Housing Revenue Bonds (BW Cooper Ib Project, Orleans Parish, Louisiana) in one or more series to finance the acquisition, construction and equipping of a multifamily housing development within the State of Louisiana; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously.

On a motion by Commissioner Guy T. Williams and seconded by Commissioner Katie Anderson, the resolution authorizing and approving the continued allocation of GO Zone Credits until October 1, 2011 for the re-development of the BW Cooper Housing Development ("BW Cooper") sponsored by the Housing Authority of New Orleans (HANO); approving the maximum qualified basis and low-income housing credits in accordance with their feasibility and viability reports; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously.

Next item discussed was the resolution regarding Garden Senior Apartments. Ms. Evans briefly went over the specifics thereof, and noted that the staff was recommending approval. Chair Williams concurred, and noted MFC was recommending approval likewise.

On a motion by Commissioner Guy T. Williams and seconded by Commissioner Katie Anderson, the resolution establishing the maximum qualified basis and low-income housing credits to Garden Senior Apartments; authorizing the Agency staff and counsel to prepare the forms of such documents and agreements as may be necessary to allocate 4% Low Income Housing Tax Credits to such facilities; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously.

Next item discussed was the resolution regarding Belmont Village Apartments. Ms. Evans briefly went over the specifics thereof, and noted that the staff was recommending approval. Chair Williams concurred, and noted MFC was recommending approval likewise.

On a motion by Commissioner Guy T. Williams and seconded by Commissioner Katie Anderson, the resolution authorizing the addition of four thousand, five hundred three dollars (\$4,503.00) in 4% Low Income Housing Tax Credits for a total reservation of one hundred one thousand, two hundred thirty-four dollars (\$101,234.00) of 4% Low Income Housing Tax Credits to Belmont Village Apartments, #09-04BF (720 Carrollwood Village Drive, Gretna, Jefferson Parish, Louisiana); and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously.

Next item discussed was the resolution regarding Southwood Patio Homes. Ms. Evans briefly went over the specifics thereof, and noted that the staff was recommending approval. Additionally, she noted that there had been a revision during MFC to the matter reflective of an October 31st closing date prerequisite. Chair Williams concurred, and noted MFC was recommending approval likewise.

On a motion by Commissioner Guy T. Williams and seconded by Commissioner Katie Anderson, the resolution authorizing and approving a request to extend the GO Zone closing deadline for Southwood Patio Homes and to add additional members to the development team; and providing for other matters in connection with the foregoing, was

moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously.

Next item discussed was the resolution regarding the Lafitte Housing Development. Ms. Evans briefly went over the specifics thereof, and noted that the staff was recommending approval. Additionally, she noted that there had been a revision during MFC to the resolution reflective that LHD would be returning \$2.6M in credits by September 30th in order to allow the Agency to reallocate. Chair Williams concurred, and noted MFC was recommending approval likewise.

Chair Jones acknowledged thanks to HANO Exec Director David Gilmore for his and HUD Secretary Donovan's participation during the MFC on the aforementioned matter.

On a motion by Commissioner Guy T. Williams and seconded by Commissioner Katie Anderson, the resolution authorizing and approving the re-development strategy for the Lafitte Offsite Rental Development sponsored by the Housing Authority of New Orleans ("HANO") to meet the December 31, 2011 GO Zone placed-in-service deadline; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously.

Next item discussed was the resolution regarding the waiver of the minimum score requirement for the 2011/2012 LIHTC Funding Round. Ms. Evans briefly went over the specifics thereof, and noted that the staff was recommending approval. Chair Williams concurred, and noted MFC was recommending approval likewise.

On a motion by Commissioner Guy T. Williams and seconded by Commissioner Katie Anderson, the resolution authorizing and directing staff to waive the minimum score requirements on all Low Income Housing Tax Credit applications submitted under the 2011/2012 Qualified Allocation Plan; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously.

Next item discussed was the resolution regarding the 30% Basis Bump-Up. Ms. Evans briefly went over the specifics thereof, and noted that the staff was recommending approval contingent upon a feasibility and viability analysis, the review of a market study, and final approval by the Board. Chair Williams concurred, and noted MFC was recommending approval likewise.

Chair Williams opened up the floor for comments and discussions.

Commissioner Mayson H. Foster asked for the definition of difficult development areas (DDA). Ms. Evans replied that a DDA was defined by HUD as an area which has high construction, land, and utility costs relative to the area median gross income.

Ms. Evans furthered noting that developers had to justify the need for a Bump-Up and that staff had reviewed the hard costs and high criteria project parameters related to the development.

Commissioner Katie Anderson inquired as to the value to the Agency in doing a Bump-Up.

Ms. Evans noted that by doing such it would open up opportunities for projects to be funded and to compete.

Chair Jones inquired as to whether any requests had been filed late and the effect thereof.

Ms. Evans noted that two (2) late filed matters had been disqualified.

There were further discussions amongst Ms. Evans and the Board regarding the Bump-Up parameters.

Commissioner Vallee inquired on the valid and true DDA projects and how the definite need requirement was being determined.

MFC Chair Williams noted that the original QAP did not have the aforementioned parameter included, but that the matter would allow developers to put housing projects in upper income areas and in the more expensive neighborhoods.

Thereafter more continued further discussions on the matters by Ms. Evans, Bond Counsel Wayne Neveu, and the Board.

Chair Williams inquired as to whether there were any public comments on the matter.

Mr. Ricky Choppin with the East Baton Rouge Housing Authority noted that the matter should be handled on a case-by-case basis, as he was aware of being done in other states.

Commissioner Donald Vallee offered a Call to Question on the 30% Basis Bump-Up pending resolution.

On a motion by Commissioner Guy T. Williams and seconded by Commissioner Katie Anderson, the resolution authorizing and approving the requests for buildings to be treated as located in a Difficult Development Area (DDA) contingent upon the Feasibility & Viability Analysis and review of the market study; authorizing the Agency's staff and counsel to prepare the forms of such documents and agreements as may be necessary to approve such requests; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed. There was one (1) NO Vote from Commissioner Mayson H. Foster.

Next item discussed was the resolution regarding notice of future point reduction for failure to utilize Agency resources.

Ms. Evans briefly went over the specifics thereof, and noted that the staff was recommending approval, subject to an amendment allowing developers fourteen (14) calendar days from date of notice of such point reduction to provide adequate reasons why the point reduction should not be assessed. Chair Williams concurred, and noted MFC was recommending approval likewise.

On a motion by Commissioner Guy T. Williams and seconded by Commissioner Katie Anderson, the resolution authorizing and directing staff to assess a ten (10) point reduction on all Low Income Housing Tax Credit applications for the next funding cycle that are submitted by developers with an award of GO Zone credits that fail to place in service on or before December 31, 2011; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously.

Next item discussed was the resolution regarding a strategy for awarding returned GO Zone credits.

Ms. Evans briefly went over the specifics thereof, and noted that the staff was recommending approval, subject to an amendment noting that staff will set the deadline date for the applications.

Commissioner Vallee suggested setting the deadline date for Friday August 12th at 8:00 A.M.

Ms. Evans countered that Friday August 12th at 4:30 P.M. would be better, and that the applications would have to be submitted electronically, and that instructions thereof would be on the Agency's website.

Chair Jones, Commissioner Michael Airhart, and MFC Chair Williams suggested moving the date to Monday, October 3rd.

On a motion by Commissioner Guy T. Williams and seconded by Commissioner Donald B. Vallee, the resolution providing for the reservation of unallocated and/or returned GO Zone Credits to certain residential rental facilities on a first-come first-served basis for the remainder of calendar year 2011; authorizing the Agency staff and counsel to prepare the forms of such documents and agreements as may be necessary to allocate GO Zone Credits to such facilities; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously.

Next item discussed was an update on the 2011/2012 Funding Round. Ms. Evans advised that applications on the competitive round were due on August 29th and she stressed to the development community the need to do their uploads and their submittals to the Agency since this was their first time doing such electronically.

Chair Jones reiterated the aforementioned, noting "...I'm going on the Record that the deadline for applications is 4:30 CST August 29th of 2011."

BUDGET AND FINANCE COMMITTEE

Budget and Finance Committee Chair Mayson H. Foster noted that the Committee had met earlier, and that they had decided to review further the FYE June 30, 2012 Operating Budget; and therefore were requesting said matter be **TABLED** until the September BOCM.

On a motion by Commissioner Mayson H. Foster and seconded by Commissioner Donald B. Vallee, the discussion and resolution regarding amending the FYE June 30, 2012 Operating Budget, was DEFERRED until the September 13, 2011 BOCM; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously.

ASSET MANAGEMENT COMMITTEE

Asset Management Committee Chair Donald B. Vallee noted that the Committee had not scheduled a meeting.

He also noted that the Agency had received four (4) RFP proposals for Property Manager, and that three (4) of them were under consideration, and that the AMC would have a recommendation thereof at the September BOCM.

ENERGY ASSISTANCE COMMITTEE

Energy Assistance Committee (EAC) Chair Katie Anderson noted that the Committee had met earlier, and that she had invited LACAP and Shaw Partners to address the Board and present some program highlights.

She also advised that the usual Energy activity reports and program summaries was in the binders.

Mr. John Phelps and Ms. Jane Killeen of LACAP addressed the Board. They went over the various program statistics and service updates, noting that they've produced about 3,800 homes out of 5,100 contracted for the ARRA period, that in July they produced at 108% statewide, that overall production is at 99.8% with three (3) or four (4) unites at 100%, that 14 out of 17 agencies are overproducing, and that there are three (3) agencies that are not at full production yet. They also noted that they conduct field monitoring weekly, and that they inspect 7.6% of the homes even though they are only required to inspect 5%.

Mr. Keith Boeneke of Shaw addressed the Board thereafter. He noted that they do monitoring of ARRA programs, that they do routine field monitoring, that they do regular and on-site employee David-Bacon monitoring and well as Fiscal and home on-site monitoring, and that they do quality assurance inspections. Additionally, he noted that they have inspected 7.6% of the

homes completed in the state -- which equates to 290 homes out of 3,830 that have been completed. He also noted that they monitor programmatic aspects of seventeen (17) agencies, and collect monthly ARRA reporting statistics on training and labor aspects.

Chair Anderson applauded the Energy staff, LACAP, and Shaw for their updates.

Next item discussed was the resolution regarding the Louisiana 2011 LIHEAP Grant Application.

Chair Anderson briefly went over the specifics of the GA, noting that it would allow more funds for the crisis program, and that the EAC was recommending approval.

She also noted that funding for the crisis program, which targets mainly those households with disconnect notices or other crises, would increase from 10% to 15%.

Commissioner Vallee inquired as to how the crisis program is administered.

Chair Anderson advised that LHFA is the grantee but is partnered with LACAP, who then partners with CCA's throughout the state; and that DOE determines funding and how funds are distributed and also set the eligibility criteria.

On a motion by Commissioner Katie Anderson and seconded by Commissioner Mayson H. Foster, the resolution approving revisions to the Louisiana 2011 Low Income Home Energy Assistance Program (LIHEAP) Grant Application, reallocating program grant funds to high demand categories; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously.

Next item discussed was the LIHEAP State Plan resolution.

Chair Anderson went over the specifics of the matter, noting that the 2012 allocations were still pending in Congress, that the Agency had recently held a public hearing, and that the EAC was recommending approval thereof.

On a motion by Commissioner Katie Anderson and seconded by Commissioner Joseph M. Scontrino, III, the resolution approving and accepting the Louisiana 2012 Low Income Home Energy Assistance Program (LIHEAP) State Plan (labeled as "Exhibit A" entitled "Low Income Home Energy Assistance Program (LIHEAP) Abbreviated Model Plan Fiscal Year 2012"), and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously.

Next item discussed was the proposed ARRA-WAP corrective action plan.

Chair Anderson advised that there were three (3) CCA's who were underperforming (East Baton Rouge Parish, Total Community Action, and SMILE). She noted that the workout plan was in the binders on page EA77. She advised that it was agreed by all that additional contractors will be brought in to build up the production levels in the next three (3) months, and that thereafter she expects production levels to be in sync. She also noted that all concerned parties were in attendance at the EAC and are fully cognizant of the goals going forward. She also advised that the program would be ending in March 2012, and that she was confident all parties would be able to meet the goals.

Commissioner Vallee advocated the need for Agency staff to be proactive and not reactive. Chair Anderson noted that she was very confident in the staff's persistent diligence in handling the programs.

SINGLE FAMILY COMMITTEE

Single Family Committee Chair Joseph M. Scontrino, III, noted that the Committee had met earlier, and had established a quorum.

Program Administrator Brenda Evans discussed the 2011A Program Update and Whole Loan Report matters.

Ms. Evans noted that the aforementioned information was in the binders, but that the rates were 3% assisted and 3.75% unassisted, and that the Agency would earn \$3M on the Issue.

Chair Scontrino stressed that now was the time to get a loan whilst the rates were low.

Ms. Evans advised that there was one (1) delinquency on the Whole Loan Report.

Both noted that the BOA conversion was progressing well, and that the import form LHFA to BOA had gone smoothly. Also, that the interface aspects were being worked thru by IT.

Next item discussed was the Morgan Keegan "Turnkey" Origination Program matter. Chair Scontrino briefly went over the specifics thereof, noting approval of such would keep the Agency competitive. Ms. Evans advised that she was working with Legal on the APA aspects of the matter, and would have an update at the next BOCM.

Next item discussed was the resolution regarding the parameter term for the purchase of \$3.7M of LHFA SFMRRB.

Chair Scontrino went over the specifics of the matter, noting it was basically part of the 2011 bond refunding deal, and that there had been a revision to the final transaction cost attachment.

On a motion by Commissioner Donald B. Vallee, and seconded by Commissioner Guy T. Williams, the resolution accepting the parameter term proposal for the purchase of not exceeding Three Million Seven Hundred Thousand Dollars (\$3,700,000) of Louisiana Housing Finance Agency Single Family Mortgage Revenue Refunding Bonds, Series 2011A in one or more sub-series; fixing the parameter terms of said bonds and otherwise providing with respect to said bonds; approving the form and directing the execution of the Bond Purchase Agreement for said Bonds; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously.

SPECIAL PROGRAMS COMMITTEE

BOC Chair Jones noted that the Committee had not met earlier, and that information on program activities was in the binders.

OTHER BUSINESS

On a motion by Commissioner Donald B. Vallee and seconded by Commissioner Joseph M. Scontrino, III, the BOC went into Executive Session, pursuant to LA R.S. 42:17(2) to discuss prospective litigation regarding the HUD Section 8 Contract Administration Award matter; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously, and the BOC went into Executive Session at 12:24pm.

On a motion by Commissioner Guy T. Williams and seconded by Commissioner Katie Anderson, the BOC terminated their Executive Session at 12:46pm; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously, and the BOC resumed their regular meeting at 12:46pm.

Chair Jones advised that the BOC had reviewed the Section 8 competitive award matter, and that "...the Board had looked into the issue of the competitive award process for the Section 8 HUD contract and it's been the consensus of what we've determined is that the whole process was fundamentally flawed. There was a presentation made and there will be proceedings with respect to our objections to that process. However, it would be the Chair's recommendation and the Chair will authorize and direct staff and counsel to explore legal issues to enable the Agency to preserve all rights under that contract and to cooperate with other agencies to investigate potential legal theories, and the Chair would also request that in the budget meetings that will occur since we have not adopted a final budget that when we do look at that final budget that we look at what potential legal fees may be necessary." And, "...look at what potential amendments would need to be there with the understanding that we will work with the National Council of State Housing Agencies because that's absolutely correct that they will probably take the lead on

this, but it's what will be our necessary contribution to any potential litigation with respect to this issue."

Commissioner Vallee offered a motion that travel be curtailed for the BOC, and any Commissioners wishing to travel should pay for such via personal expenses. Chair Jones advised that hearing no second, the motion **DIED** for lack of a second.

Chair Jones noted that she feels the BOC should not have any travel restrictions, and each Commissioner could use their own judgment as the need for travel.

Commissioner Michael L. Airhart noted that he was aware that most State Boards had already cut back on their travel, and that most LHFA Board Members had cut their travel to zero, and he did not feel there was no need for further restrictions.

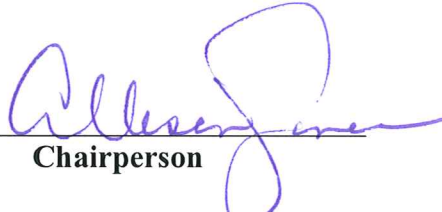
Commissioner Anderson noted that she felt the Chair of the BOC should be allowed to travel whenever deemed beneficial to the LHFA.

Chair Jones advised that hearing no second, Commissioner Vallee's motion to restrict BOC travel had **DIED** for lack of a second.

ADJOURNMENT

There being no other matters to discuss, Commissioner Joseph M. Scontrino, III, offered a motion for adjournment that was seconded by Commissioner Mayson H. Foster. There being no discussion or opposition, the matter was unanimously passed.

The Full Board meeting adjourned at 12:52 PM.


Chairperson


Secretary